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Economic Benefits of Restoring the Great Lakes

John C. Austin

Brookings Institute, jcaustin@umich.edu

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Economic Benefits of Restoring the Great Lakes

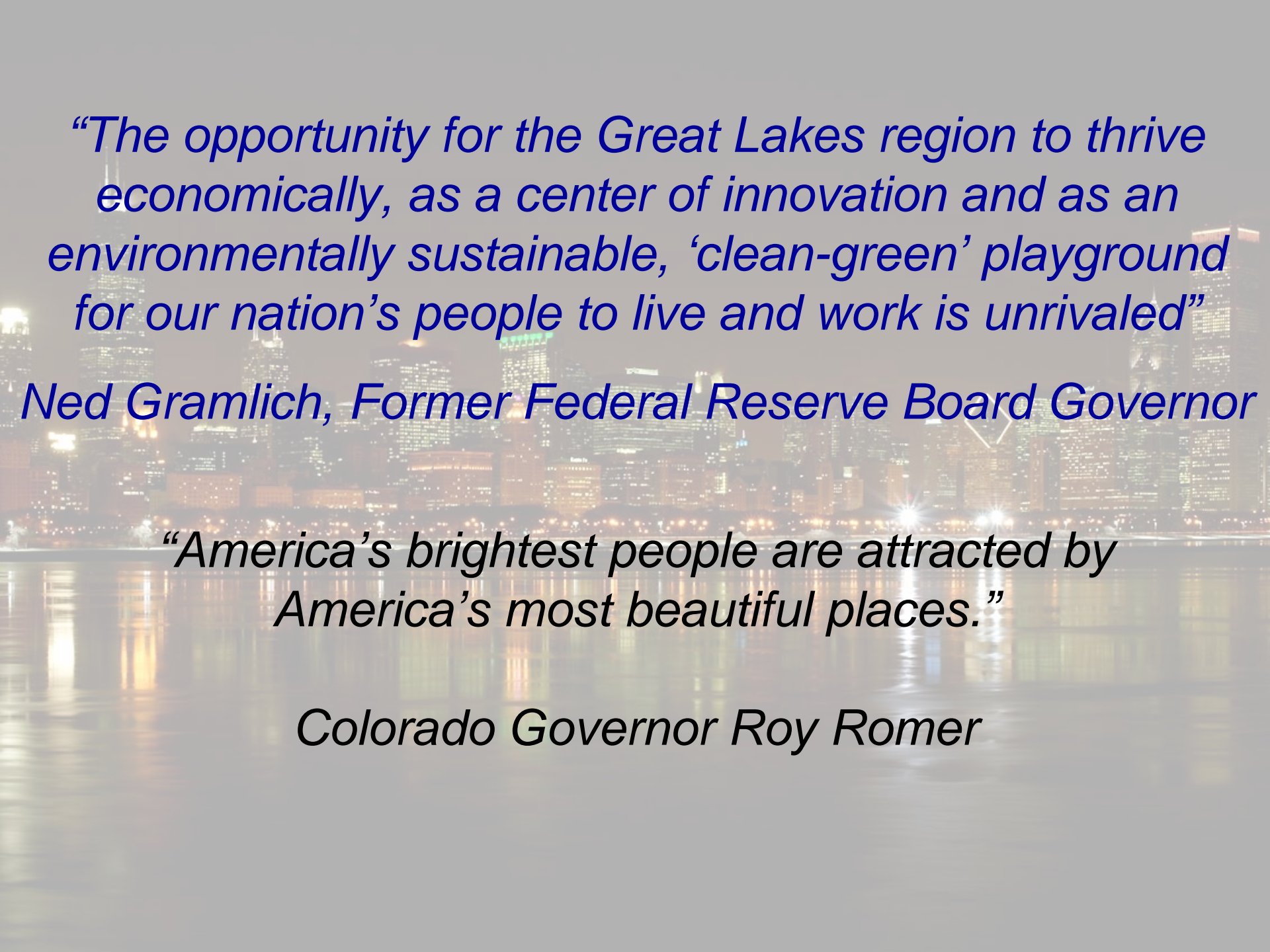
Coastal Connections II

SUNY – Brockport, August 25, 2009

John C. Austin,
Non-Resident Senior Fellow, Brookings Institution
Director, Great Lakes Economic Initiative



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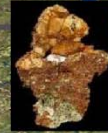


“The opportunity for the Great Lakes region to thrive economically, as a center of innovation and as an environmentally sustainable, ‘clean-green’ playground for our nation’s people to live and work is unrivaled”

Ned Gramlich, Former Federal Reserve Board Governor

“America’s brightest people are attracted by America’s most beautiful places.”

Colorado Governor Roy Romer

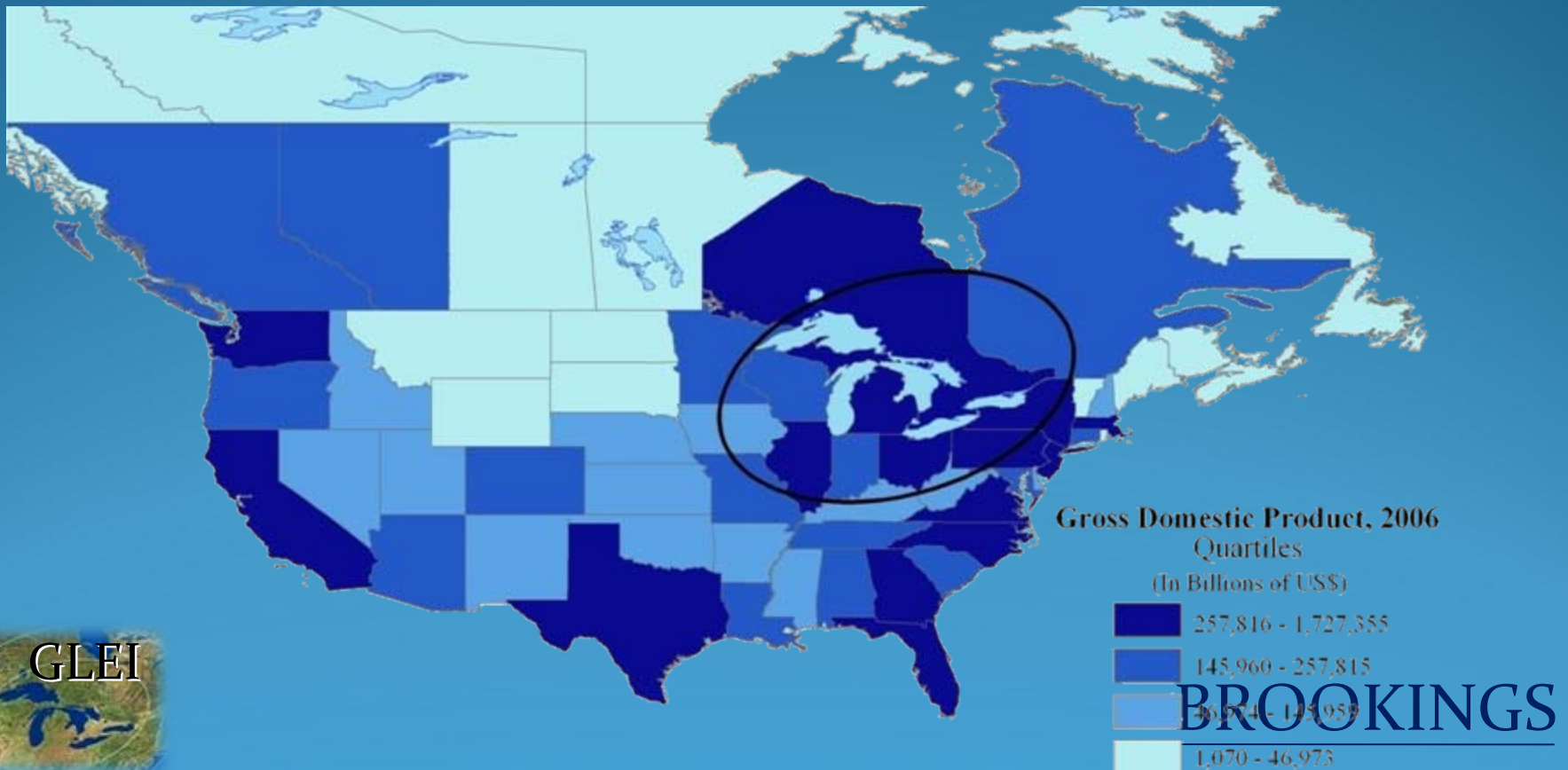


Water as conduit for trade

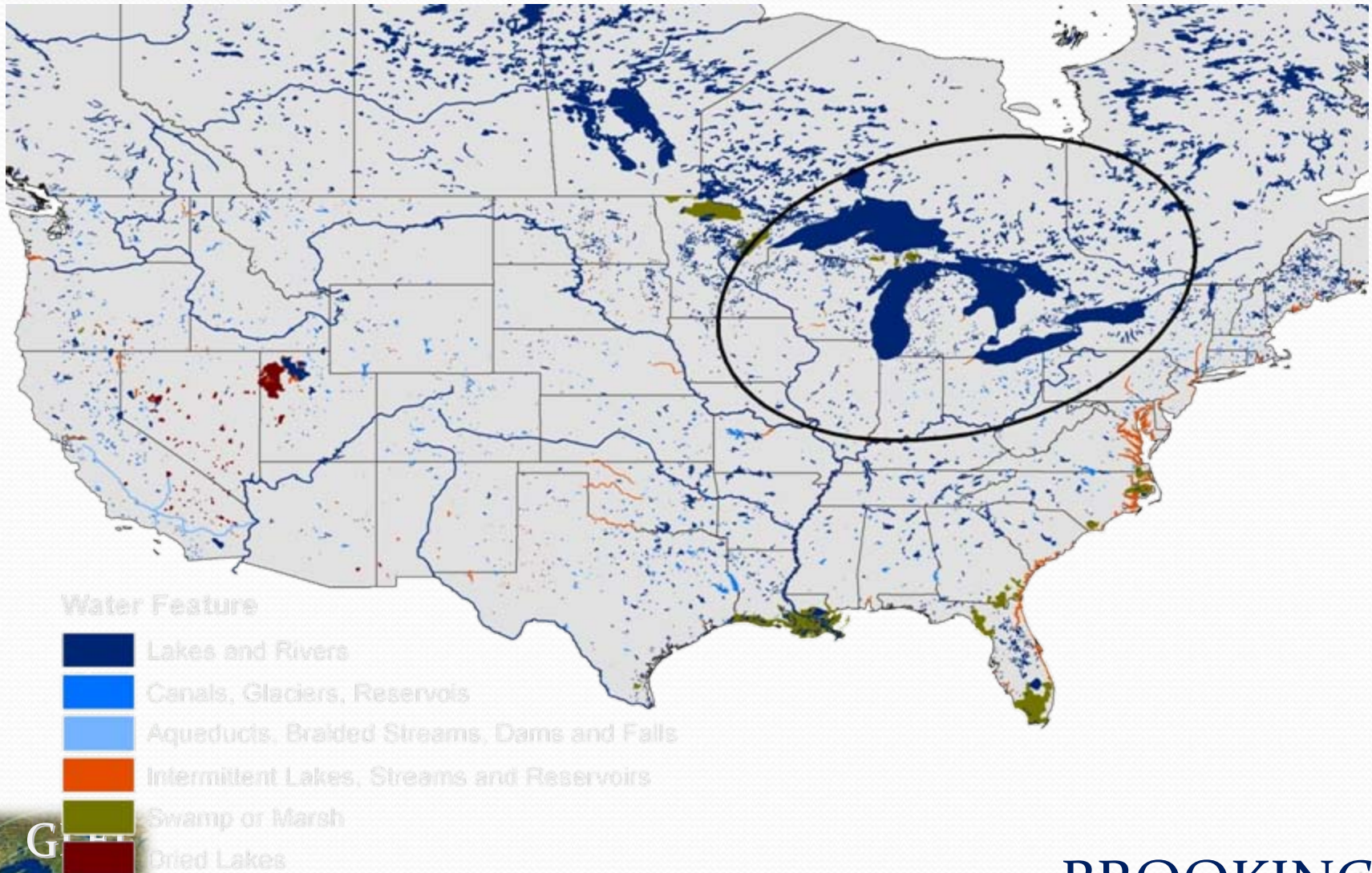


Water as input to agro-industrial enterprise

'Coasts' have supported population and economic growth



Today, water matters in new and different ways



Source: U.S. Census B

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Most powerfully as an amenity...a
magical backdrop and place definer...



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*As our economy changes from farm...to
factory...to offices, learning, research,,
information manipulation centers...we value
places with:*

- Water and water fronts
- Global connections – communications transport
- Aesthetics
- Connecting with others - urbanity
- Civic, culture, learning, and research institutions

Among emerging sectors: “green” and “blue” are sustainability spheres of life and economy

Green Economy

Wind, solar, battery, bio-mass, next
energy technology creation

Building retrofits, turbine machining,
solar panel production, transit-
building: “green collar jobs”

“Greenways”, parks, open-space:
“green” places

Green roofs, recycling, local food:
“green” culture



Blue Economy

Water cleaning, monitoring,
conservation technologies

Building retrofits, water
infrastructure repair, turbine
machining: new “blue-collar” jobs

“Blueways”, wetland preservation,
waterfront renewal

Rainbarrels, living machines, no-
flush toilets: new “Blue” culture

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An aerial photograph of a large lake system, possibly the Great Lakes, surrounded by green and brown terrain. The text is overlaid on the image.

As such water becomes “new economy”
infrastructure

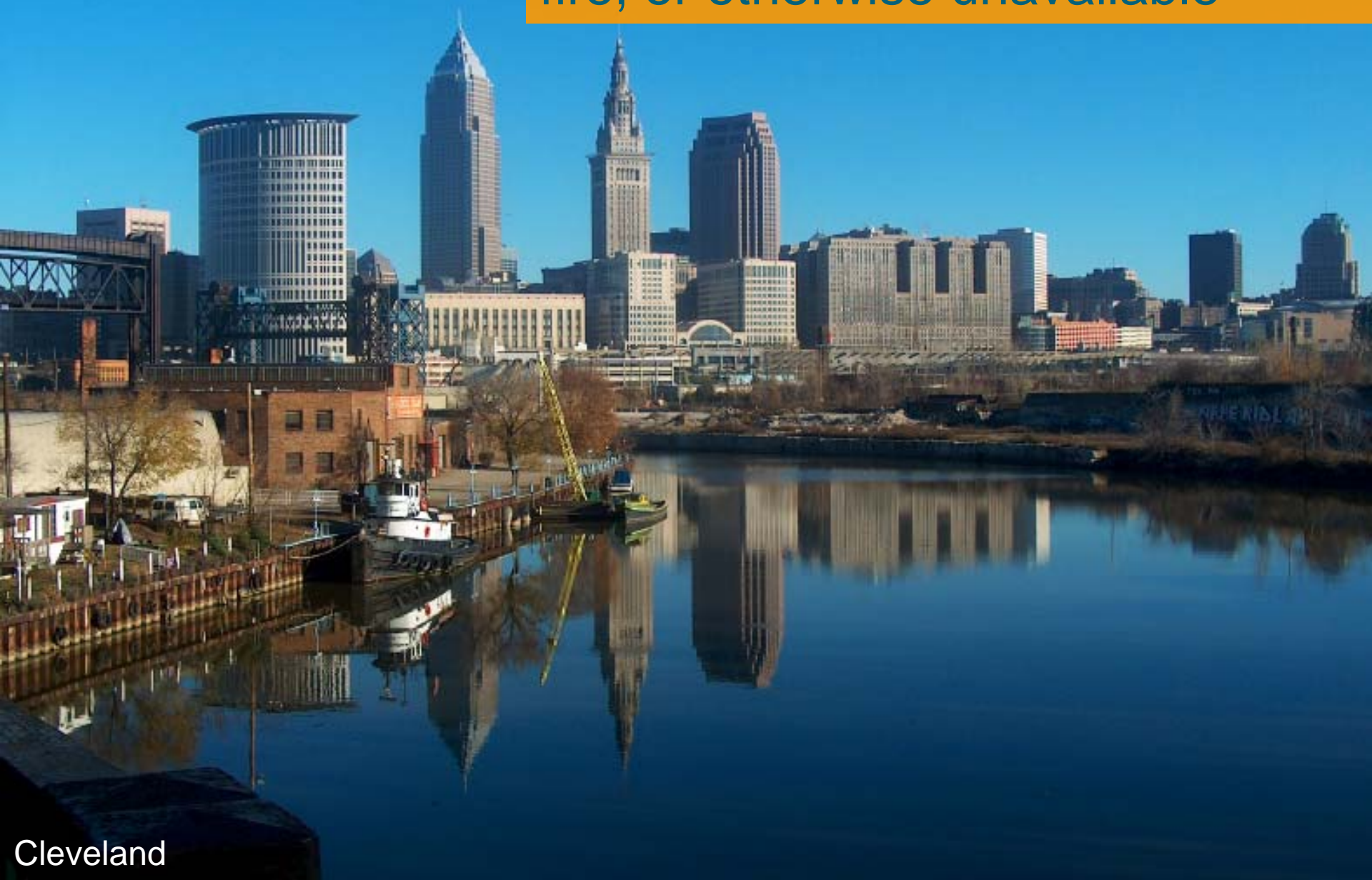
**Place – definer: adds
“magic” to locale**

**Economic attractor: recreation,
tourism, water-based economic
development**

**Values transmitter: region is engaged in
“sustainability work”**

**Source of new work: freshwater technology is
growing \$500 billion global business**

But not if it is toxic, noxious, on fire, or otherwise unavailable



An aerial photograph of the Great Lakes region, showing the five Great Lakes (Superior, Michigan, Huron, Erie, and Ontario) and the surrounding land. The image is colorized with a satellite-like palette, where water is dark blue/black, land is green and brown, and snow/ice is white. The text is overlaid on the image in a yellow, sans-serif font.

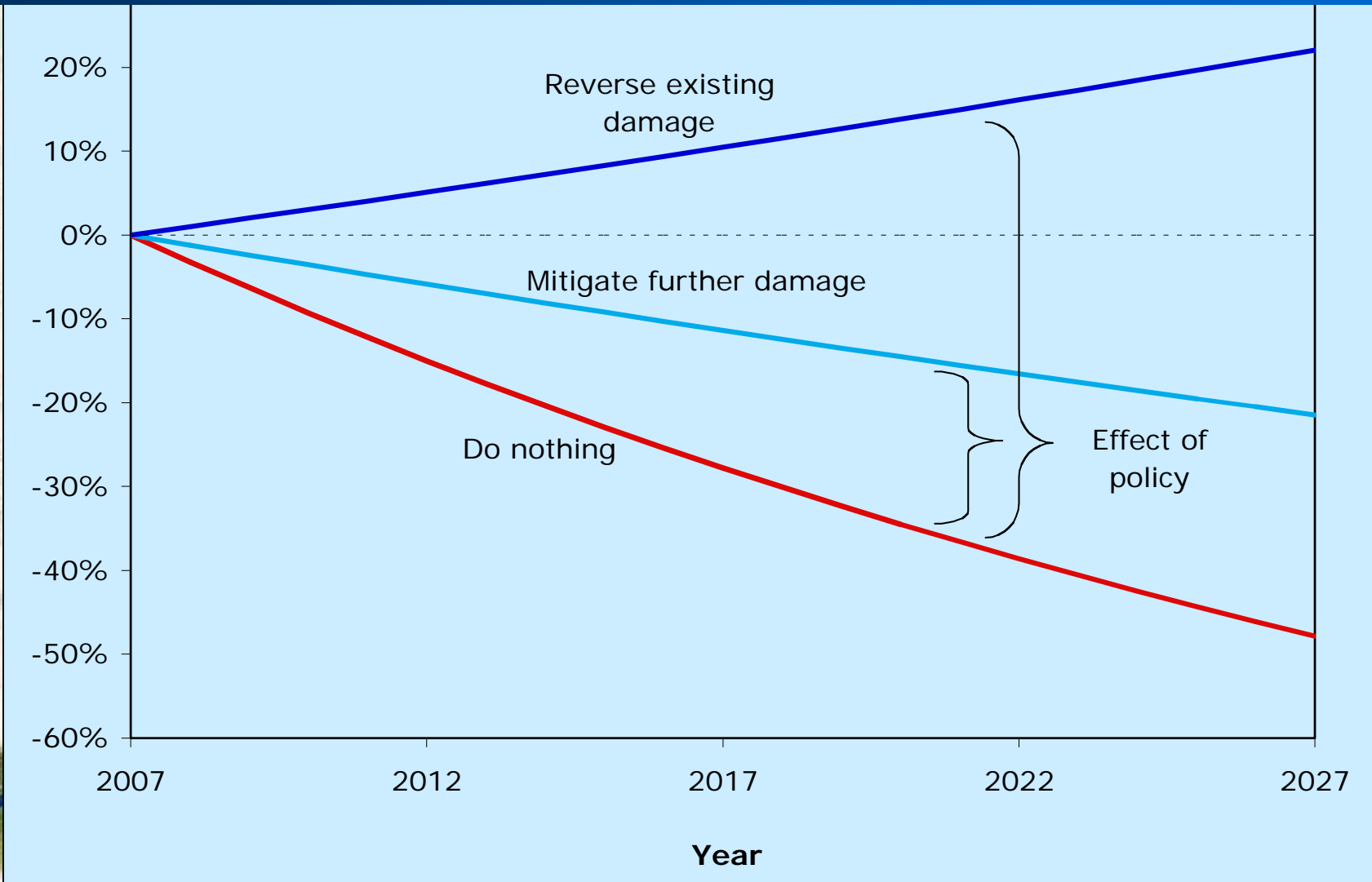
This is the way to interpret Brookings

“Healthy Waters, Strong Economy” Report:

- Brookings economists took hard-headed look at the true economic benefits of cleaning, maintaining special qualities of Great Lakes
- \$ value of water quality, recreation/tourism, property value enhancement, fish and wildlife
- Solid and conservative analysis of economic impact of Great Lakes restoration plan
- \$ 25 billion dollar cleanup yields \$80-100 billion payoff

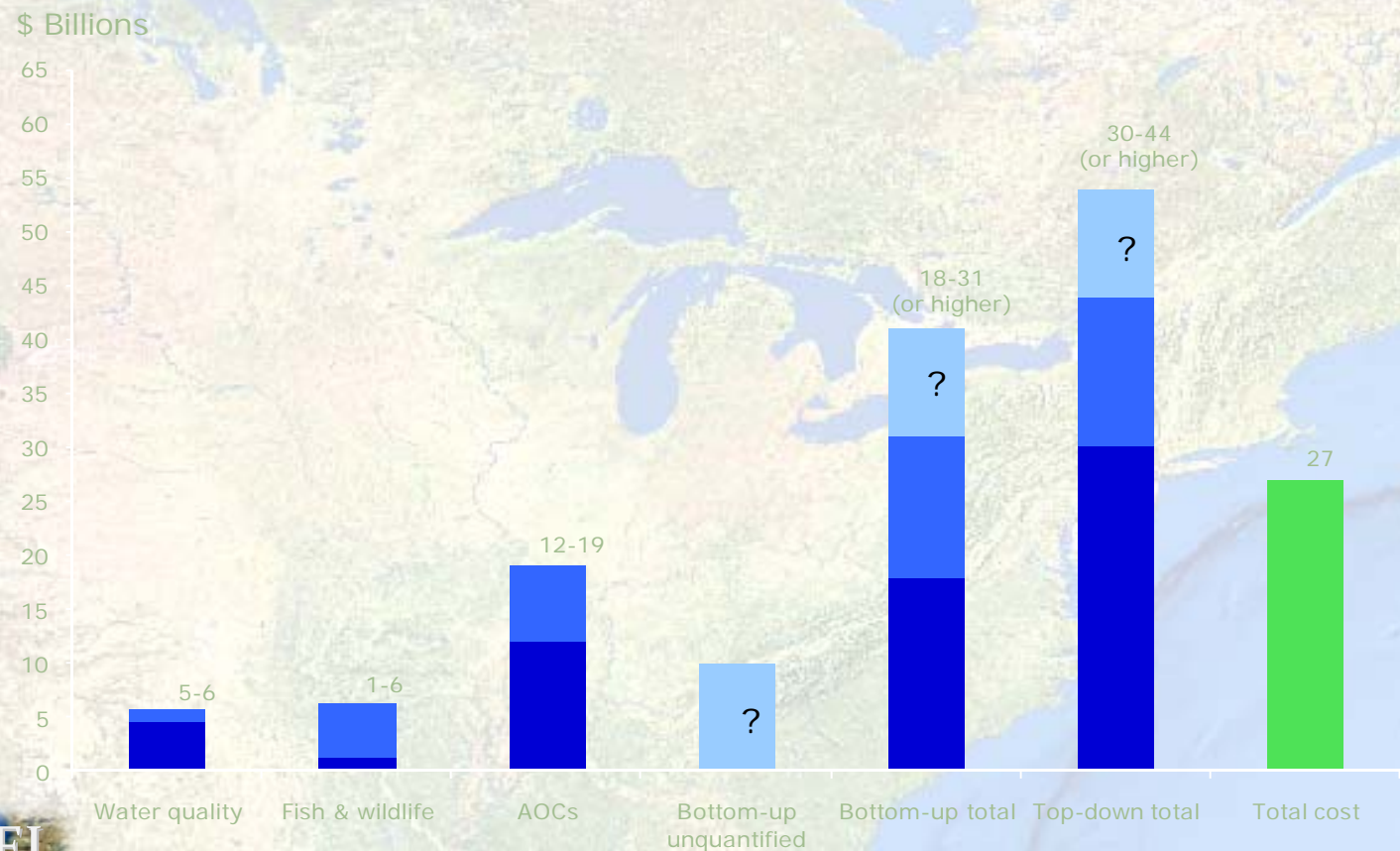


Benefits flow from reversing damage, enhancing assets





\$ 80-100 Billion Economic Benefits for \$27 Billion Cost



An aerial photograph of a river delta, likely the Mississippi River Delta, showing a complex network of waterways and land. The text is overlaid in yellow on the left side of the image.

Additional non-quantifiable, but real benefits

- Lower fish contamination levels - species health & survival
- Avoided invasive costs
- Fewer algae blooms
- Human health, less sickness, life-spans
- Avoided engineering costs, sediment dredging, removal, & disposal
- Less erosion and less severe flooding
- Enhanced groundwater supply
- Freshwater technology jobs and business development
- Quality of life enhancement value
- Nonuse Values

Translation - lakes and their waterways are a major economic *and* environmental asset

Metro benefits of restoration, in millions of 2006 dollars:

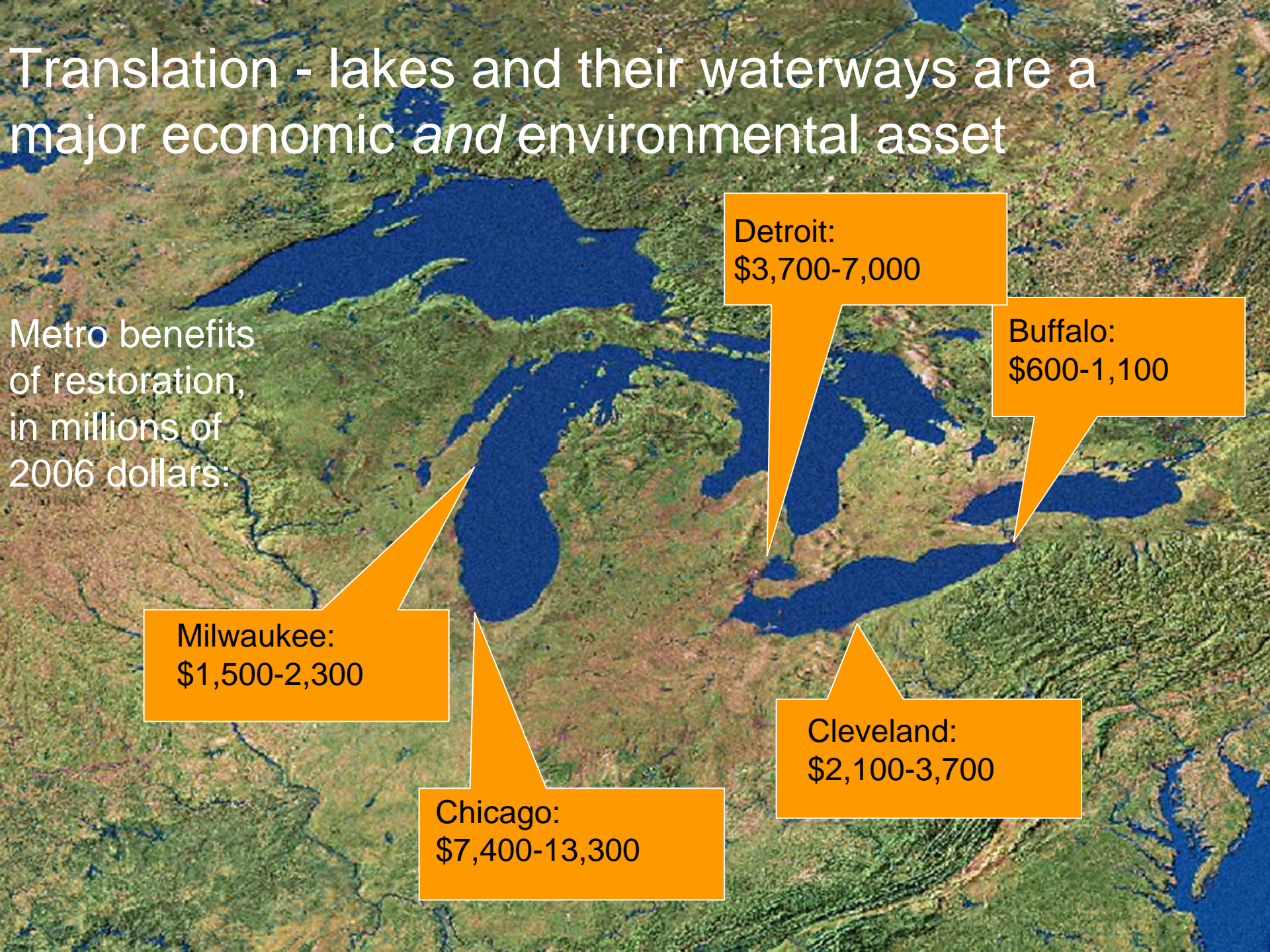
Milwaukee:
\$1,500-2,300

Chicago:
\$7,400-13,300

Detroit:
\$3,700-7,000

Buffalo:
\$600-1,100

Cleveland:
\$2,100-3,700





Rust Belt *can* become “Freshwater Coast”



Western New York, the Great Lakes and nation can restore its waters for economic, social *and* spiritual growth...



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Brookings Institution Metropolitan Policy Program
www.brookings.edu/metro

The Great Lakes Economic Initiative

www.brookings.edu/projects/great-lakes.aspx



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